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Volume 16

MILK MARKET INFORMATION BULLETIN  
CHATTANOOGA, TENNESSEE MARKETING AREA  
August 1971

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Released Pursuant to §1090.27(j) and § 1090.85, USDA-CMS  
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411  
J. E. Bobo, Market Administrator

MARKET SUMMARY - AUGUST 1971  
PROCUREMENT SECTION  
CURRENT SERIAL RECORDS

The Chattanooga Order MINIMUM uniform producer price is \$5.92 per cwt. at pool plants (0-65 mile zone) for milk testing 3.5% butterfat. The producer butterfat differential is 8.0 cents for each one-tenth of one percent above or below 3.5% test. Producer milk prices are also subject to adjustment to the location of the plant at which milk was received per \$1090.53 and \$1090.74.

In August 1971, 55.3% of producer milk received by pool plants was priced in Class I at \$6.92 per cwt. and 44.7% was priced in Class II at \$4.77 per cwt. The August butterfat differential for Class I was 8.1 cents and Class II was 7.8 cents.

Total producer milk received at pool plants during August 1971 was 35,439,737 pounds which is an increase of 3,140,474 pounds or 9.7% compared with August 1970. The August daily average deliveries from 792 producers was 1,443 pounds. This compares to 742 farms delivering a daily average of 1,404 pounds per day during August 1970.

PLANTS DISTRIBUTING MILK IN FEDERAL ORDER NO. 90 AREA - AUGUST 1971

POOL PLANTS

Dairymen, Inc., Tenn. Valley Div.  
Happy Valley Farms, Inc.  
Mayfield Dairy Farms, Inc.  
Ray Moss Farms, Inc.  
Nance Dairy, Inc.  
N. F. O. - Shelbyville  
Sealtest Foods

FEDERAL ORDER NO. 7 - GEORGIA  
Dempsey Brothers Dairies, Inc.  
Meadow Gold Dairies of Georgia  
Meadowbrook Dairy, Inc.  
Superbrand Dairy Products, Inc.

FEDERAL ORDER NO. 33 - OHIO VALLEY  
Kroger Company

PARTIALLY REGULATED PLANTS

Coble Dairy Products Co-op Inc.  
Tro-Fe Dairy Company, Inc.

FEDERAL ORDER NO. 101 - KNOXVILLE  
Broadacre Dairies, Inc.  
Norris Creamery, Inc.  
Pet, Inc., Dairy Division  
Stoffell's Dairy, Inc.  
Wolfe Enterprises, Inc.

FEDERAL ORDER NO. 98 - NASHVILLE  
Avalon Dairies, Inc.

GEORGIA ORDER - RECOMMENDED DECISION

The U. S. Department of Agriculture has recommended amending the Georgia Order based on evidence received at a public hearing held April 1971. Exceptions may be filed with the Hearing Clerk, Washington, D. C.

1. With certain restrictions, provisions be made for pooling a supply plant operated by a cooperative on the basis of the cooperative's overall performance rather than on shipments from the plant.
2. Producer Milk diverted from a pool plant to a nonpool plant should continue to be priced at the location of the plant to which diverted and no change should be made in the Georgia order with respect to the pricing point on diverted milk.
3. A Class I base plan should be adopted in the Georgia order with the effective date to be March 1, 1972

COMPARISON OF MILK RECEIPTS AND UTILIZATION

	% Aug. '71 Over Aug. '70	Aug. 1971	July 1971	Aug. 1970
Number of Plants - Pool		7	8	6
- Non-Pool		13	13	15
<u>RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk	+ 9.7	1,143,217	1,237,001	1,041,912
Other Source	+21.4	32,910	30,533	27,116
Other Federal Orders	+29.9	110,125	104,555	84,786
TOTAL MILK RECEIPTS	+11.5	1,286,252	1,372,089	1,153,814
<u>UTILIZATION POUNDS (DAILY AVERAGE)</u>				
<u>Class I Uses</u>				
Homo Milk	- 1.4	408,701	416,866	414,483
Skim	+ 8.1	20,775	21,187	19,212
2% Milk	+26.0	125,037	129,074	99,226
Buttermilk	+ 9.9	54,736	57,526	49,792
Flavored Milk and Drink	+10.1	20,065	19,149	18,221
Creams (Sweet and Sour)	+ 1.9	3,433	3,639	3,369
Sub-Total - Pkg. Products (Pool Plants)	+ 4.7	632,747	647,441	604,303
Other (Shrinkage, Inventory, Yogurt, etc.)		4,037	5,615	1,396
Sales to Non-Pool Plants	-51.0	48,250	98,608	98,484
In-Area Sales by Non-Pool Plants	-19.4	39,899	40,016	49,515
TOTAL CLASS I MILK	- 3.8	724,933	791,680	753,698
<u>Class II Uses - Pool Plants</u>				
Ice Cream Mixes	- 3.7	69,468	67,497	72,124
Cottage Cheese	- 1.7	47,589	49,624	48,416
Powdered and Condensed Milk		-0-	-0-	-0-
Livestock Feed and Milk Dumped		8,298	8,394	7,236
Sub-Total - Used to Produce	- 1.9	125,355	125,515	127,776
Shrinkage Class II		14,218	16,666	12,068
Other (Inventory Variation, etc.)		6,568	(18,854)	15,456
Bulk Sales to Non-Pool Plants		415,178	457,082	244,816
TOTAL CLASS II MILK	+40.3	561,319	580,409	400,116
Class I Pkg. Lbs. In Area - Pool Plants	+ 6.7	473,947	485,025	444,160
Class I Pkg. Lbs. Out of Area-Pool Plants	- 0.8	158,800	162,416	160,143
Class I Pkg. Lbs. In Area - Non-Pool Plants	-19.4	39,899	40,016	49,515
% Producer Milk of Gross Class I		157.7	156.3	138.2
% Producer Milk Priced in Class I		55.3	56.1	66.6

AUGUST 1971 PRODUCER BUTTERFAT DIFFERENTIAL COMPUTATION

Per \$1090.73	B'Fat Use Percentage	Prod. Lbs. Butterfat	Class B'Fat Differential	Butterfat Value
Class I	48.2	631,567	\$0.81	\$ 511,569.27
Class II	51.8	677,601	0.78	528,528.78
Total	100.0	1,309,168		\$1,040,098.05

Total Butterfat Value ÷ Total Producer fat pounds = \$0.794473

Producer Butterfat Differential per point variation above or  
below 3.5 percent - - - - - \$0.080



## COMPUTATION OF PRODUCER UNIFORM PRICE

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AUGUST 1971	Class %	Milk Pounds	Butterfat Test - %	Cwt. Price @ Test	Gross Value
Gross Class I		22,472,918	3.137		
Less Other Source		2,868,991	2.558		
Producer Milk Class I	55.3	19,603,927	3.221635	\$6.694524	\$1,312.389.60
Gross Class II		17,400,901	4.190		
Less Other Source		1,565,091	3.293		
Producer Milk Class II	44.7	15,835,810	4.278916	5.377554	851,579.23
TOTAL PRODUCER MILK (Cl.I+Cl.II)	100.00	35,439,737	3.694068		\$2,163,968.83
Add Fractional Adjustment					.02
Less Handler Location Adjustment					594.60
Add Value of Inventory Reclassified					349.71
Add Value of Class I Other Source and Producer Location Adjustment		2,213	0.00		4,863.91
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					0.00
TOTAL VALUE AT TEST		35,441,950	3.693837	\$6.118704	\$2,168,587.87
Less Test over 3.5% @ 8.0¢ per point		35,441,950	.193837	0.155070	54,959.83
TOTAL UTILIZATION VALUE AT 3.5%		35,441,950	3.5	\$5.963634	\$2,113,628.04
Less Reserve per \$ 1090.71 (f)		35,441,950		.043634	15,464.74
PRODUCER UNIFORM PRICE - 3.5% TEST		35,441,950	3.5	\$5.92	\$2,098,163.30

AUGUST 1971 MINIMUM PRODUCER PRICES CWT. f.o.b. POOL PLANTS (0-65 mile zone)  
 BUTTERFAT DIFFERENTIAL 8.0¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$5.52	3.6	\$6.00	4.2	\$6.48	4.8	\$6.96	5.4	\$7.44
3.05	5.56	3.65	6.04	4.25	6.52	4.85	7.00	5.45	7.48
3.1	5.60	3.7	6.08	4.3	6.56	4.9	7.04	5.5	7.52
3.15	5.64	3.75	6.12	4.35	6.60	4.95	7.08	5.55	7.56
3.2	5.68	3.8	6.16	4.4	6.64	5.0	7.12	5.6	7.60
3.25	5.72	3.85	6.20	4.45	6.68	5.05	7.16	5.65	7.64
3.3	5.76	3.9	6.24	4.5	6.72	5.1	7.20	5.7	7.68
3.35	5.80	3.95	6.28	4.55	6.76	5.15	7.24	5.75	7.72
3.4	5.84	4.0	6.32	4.6	6.80	5.2	7.28	5.8	7.76
3.45	5.88	4.05	6.36	4.65	6.84	5.25	7.32	5.85	7.80
3.5	5.92	4.1	6.40	4.7	6.88	5.3	7.36	5.9	7.84
3.55	5.96	4.15	6.44	4.75	6.92	5.35	7.40	5.95	7.88

## MILK BASE RULES

The following Federal Order rules apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
  1. All base transfers shall be signed by the person transferring base and the person receiving base.
  2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

## CHATTANOOGA ORDER MILK PRICE (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Bf. Dif.	Cwt.	Bf. Dif.
Aug. '70	\$6.01	-	-	8.2¢	\$6.75	8.4¢	\$4.61	8.0¢
Sept.	6.32	-	-	8.4	6.76	8.4	4.66	8.1
Oct.	6.39	-	-	8.4	6.81	8.5	4.77	8.1
Nov.	6.47	-	-	8.2	6.92	8.4	4.82	8.0
Dec.	6.30	-	-	8.2	6.97	8.4	4.83	8.1
Jan. '71	6.28	-	-	8.2	6.98	8.4	4.79	8.0
Feb.	6.36	-	-	8.2	6.94	8.4	4.83	8.0
Mar.	6.21 2/	\$6.32	\$4.81	8.2	6.98	8.4	4.81	8.0
Apr.	6.04 2/	6.20	4.83	8.2	6.96	8.4	4.83	7.8
May	5.97 2/	6.17	4.77	8.0	6.98	8.1	4.77	7.8
June	5.95 2/	6.09	4.76	8.0	6.92	8.1	4.76	7.8
July	5.95 2/	6.09	4.77	8.0	6.91	8.1	4.77	7.8
Aug.	5.92	-	-	8.0	6.92	8.1	4.77	7.8
Sept.	-	-	-	-	6.92	8.1	-	-

	PRICE QUOTATIONS				PRODUCER MILK USE (Daily Average)			
	Chi. 92° Butter ¢ Lb.	Chi. Area Powder ¢ Lb.	Minn/Wisc. Mfg. Milk \$-Cwt-3.5%	Basic Formula Minimum	Class I		Class II	
					Pounds	Test-%	Pounds	Test-%
Aug. '70	69.80	26.85	\$4.61	\$4.33	694,169	3.27	347,743	4.45
Sept.	70.52	26.86	4.66	4.33	881,429	3.25	209,852	5.48
Oct.	70.12	26.85	4.77	4.33	875,572	3.37	221,288	5.94
Nov.	69.88	26.82	4.82	4.33	848,594	3.41	226,279	6.46
Dec.	70.40	26.90	4.83	4.33	760,876	3.36	342,699	5.48
Jan. '71	69.77	26.91	4.79	4.33	775,537	3.32	326,520	5.91
Feb.	69.78	27.12	4.83	4.33	770,040	3.34	251,416	6.51
Mar.	69.78	27.21	4.81	4.33	708,198	3.27	347,418	5.33
Apr.	67.78	29.19	4.83	4.33	749,022	3.23	536,940	4.46
May	67.78	31.57	4.77	4.33	751,952	3.18	604,745	4.25
June	67.78	31.55	4.76	4.33	696,375	3.19	545,571	4.27
July	67.78	31.63	4.77	4.33	693,356	3.22	543,645	4.25
Aug.	67.78	31.53	4.77	4.33	632,385	3.22	510,832	4.28

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA				DELIVERIES PER		
	No.	Total	Class I	No.	Total	Base	Average	Farm ---	Pounds	
	Hdlers.	Receipts	Use	Prod.	Delivery	Delivery	Test-%	Prod.	Base	Exc.
Aug. '70	21	1,153,814	753,698	742	1,041,912	-	3.66	1,404	-	-
Sept.	20	1,184,034	952,991	742	1,091,281	-	3.68	1,471	-	-
Oct.	20	1,196,873	948,068	748	1,096,860	-	3.89	1,466	-	-
Nov.	20	1,166,551	910,227	745	1,074,873	-	4.06	1,443	-	-
Dec.	19	1,212,913	822,193	743	1,103,575	-	4.02	1,485	-	-
Jan. '71	19	1,201,136	838,128	739	1,102,057	-	4.09	1,491	-	-
Feb.	19	1,130,134	833,673	731	1,021,456	-	4.12	1,397	-	-
Mar.	19	1,169,574	771,192	693	1,055,616	980,583	3.95	1,523	1,415	108
Apr.	20	1,411,347	812,400	854	1,285,962	1,142,972	3.74	1,506	1,338	168
May	20	1,489,326	810,302	890	1,356,697	1,167,808	3.66	1,524	1,312	212
June	20	1,346,798	746,820	886	1,241,946	1,117,489	3.67	1,402	1,261	141
July	21	1,372,039	791,680	905	1,237,001	1,109,761	3.67	1,367	1,226	141
Aug.	20	1,286,252	724,933	792	1,143,217	-	3.69	1,443	-	-

1/ Excludes Premiums

3/ Other Source is Gross minus Producer

2/ Weighted Average Price

Class II is Receipts minus Class I